

Medical Assistance Administration  
Department of Social  
and Health Services (DSHS)

# Medicaid and SCHIP Reform Waiver

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House Health Care  
Committee

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# Medicaid and SCHIP Reform Waiver Waiver Goals

- Ensure availability of Medicaid coverage for most-vulnerable people
- More options to sustain medical coverage for low-income residents
- Maximize federal funding to achieve these goals

# Medicaid and SCHIP Reform Waiver Waiver Design



- More flexible cost-sharing, benefit design and coverage options
- Waiver requests the same programmatic flexibility allowed under Bush Administration's initiatives and SCHIP
- Builds on the National Governors Association (NGA) Health Reform Proposal

# Medicaid and SCHIP Reform Waiver Waiver Design

## *After CMS approval....*

- Changes would not be implemented automatically
- Changes would require legislative approval
- SCHIP-funded Basic Health expansion could begin January 2003 (or as soon thereafter as administratively feasible)

# Medicaid and SCHIP Reform Waiver Waiver Design

## *Program flexibility to:*

- Adopt reasonable copayments
- Adopt reasonable premiums for clients above poverty level
- Adopt different benefit designs for Medicaid optional programs
- Impose waiting lists for enrollment into Medicaid optional and SCHIP programs



# Medicaid and SCHIP Reform Waiver Copayments

## *Existing federal requirements*

- “Nominal” copays for some services and certain groups
- No copayments for:
  - Children;
  - Dual Medicare/Medicaid clients; and
  - Clients in hospitals and some facilities
- No copays for:
  - Emergency services;
  - Pregnancy-related services; and
  - Family planning services
- Providers cannot deny coverage if client can't pay

# Medicaid and SCHIP Reform Waiver Copayments

## *Waiver proposal*

- Allows “affordable” copays
- Allows copays on all eligibility groups
- Allows copays for non-preventive services
- Permits providers to deny coverage of non-emergent care if patient is unable to pay



# Medicaid and SCHIP Reform Waiver Premiums

*Existing federal requirements permit premiums for...*

- Transitional Medical Assistance clients
- Pregnant women and infants above 150% of poverty
- Working disabled persons on Medicaid Buy-In program
- SCHIP children





# Medicaid and SCHIP Reform Waiver Premiums

## *Waiver proposals*

- Could adopt premiums on all Medicaid clients above federal poverty level
- Total cost-sharing (premiums and copayments) not exceed 5% of family income on average



# Medicaid and SCHIP Reform Waiver Benefit Design

## *Existing federal requirements*

- States must cover “mandatory” services, such as:
  - Inpatient and outpatient
  - Physician
  - Medical and surgical
  - Laboratory and x-ray
  - Family planning
  - Transportation



# Medicaid and SCHIP Reform Waiver Benefit Design

## *Existing federal requirements*

- States may cover “optional” services, such as:
  - Prescription drugs
  - Durable medical equipment
  - Dental
  - Vision and hearing
  - Personal care
  - Interpreter services



# Medicaid and SCHIP Reform Waiver Benefit Design

## *Waiver proposals*



- Still provide mandatory services for mandatory groups
- Could offer different benefits to different optional groups
- Waive Transportation and EPSDT requirements, except immunizations
- Coverage could be like the Basic Health, including Well Child care
- Unlike Basic Health, no pre-existing condition limits; different copays

# Medicaid and SCHIP Reform Waiver Enrollment Limits

## *Existing federal requirements*

- Medicaid:
  - States cannot limit enrollment
  - Can restrict eligibility by adjusting income and resource levels
  - Medically Needy program is optional
- SCHIP
  - Not an entitlement
  - Restrict enrollment due to funding
  - Can limit eligibility
  - Can limit coverage to certain geographic areas

# Medicaid and SCHIP Reform Waiver Enrollment Limits

## *Waiver proposals*

- Medicaid mandatory eligibility groups would retain entitlement to coverage
- State would be able to impose enrollment caps and waiting lists for Medicaid optional eligibility groups



# Medicaid and SCHIP Reform Waiver

## Unspent SCHIP Funds

- States have three years to spend SCHIP allotments
- States must return their unspent SCHIP funds
- Washington's unspent funds are estimated at more than \$30 million a year.
- With waiver, Washington could use unspent SCHIP funds to cover parents of Medicaid & SCHIP children
- State could also cover childless adults
- Coverage would be via Basic Health

# Medicaid and SCHIP Reform Waiver Unspent SCHIP Funds



- Expanded coverage would not be an entitlement
- Waiver could cover some 20,000 additional parents
- Feds (CMS) may require Washington to guarantee a maintenance of effort